

SEC. 637. PREVENTION OF CIRCUMVENTION OF COURT ORDER BY WAIVER OF RETIRED PAY TO ENHANCE CIVIL SERVICE RETIREMENT ANNUITY.

(a) CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEM.—(1) Subsection (c) of section 8332 of title 5, United States Code, is amended by adding at the end the following new paragraph:

"(4) If, after January 1, 1997, an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of section 1408 of title 10, the military service on which the retired pay is based may be credited as service for purposes of this subchapter only if the employee or Member authorizes the Director to deduct and withhold from the annuity payable to the employee or Member under this subchapter an amount equal to the amount that, if the annuity payment was instead a payment of the employee's or Member's retired pay, would have been deducted and withheld and paid to the former spouse covered by the court order under such section 1408. The amount deducted and withheld under this paragraph shall be paid to that former spouse. The period of civil service employment by the employee or Member shall not be taken into consideration in determining the amount of the deduction and withholding or the amount of the payment to the former spouse. The Director of the Office of Personnel Management shall prescribe regulations to carry out this paragraph."

(2) Paragraph (1) of such subsection is amended by striking out "Except as provided in paragraph (2)" and inserting in lieu thereof "Except as provided in paragraphs (2) and (4)".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—(1) Subsection (c) of section 8411 of title 5, United States Code, is amended by adding at the end the following new paragraph:

"(5) If, after January 1, 1997, an employee or Member waives retired pay that is subject to a court order for which there has been effective service on the Secretary concerned for purposes of

section 1408 of title 10, the military service on which
the
pay is based may be credited as service for purposes of
this
only if the employee or Member authorizes the Director
to
and withhold from the annuity payable to the employee
or
under this subchapter an amount equal to the
amount that if
the annuity payment was instead a payment of the
employee's
or Member's retired pay, would have been deducted and
withheld
and paid to the former spouse covered by the court
order
such section 1408. The amount deducted and withheld
under
paragraph shall be paid to that former spouse. The
period of civil
service employment by the employee or Member shall
not be taken
into consideration in determining the amount of the
deductions
and withholding or the amount of the payment to the
former spouse.
Regulations. The Director of the Office of Personnel
Management shall prescribe
regulations to carry out this paragraph.

(2) Paragraph (1) of such subsection is
amended by striking
"Except as provided in paragraph (2) or (3)"
and inserting "Except
as provided in paragraphs (2), (3), and (5)".

5 USC 8332 note. (c) EFFECTIVE DATE.—The amendments
made by subsections
(a) and (b) shall take effect on January 1,
1997.